Postponement of Vat System

2857. SHRI R. KAMARAJ: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that various Federations and Chambers throughout the country observed a bandh against the implementation of Value Added Tax on 30th March, 2005;

(b) if so, whether Government are considering to postpone the implementation of VAT;

(c) whether it is also a fact that many traders' organizations alleged the implementation of VAT was against the trading community; and

(d) if so, the steps taken by Government to redress their grievances in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) Yes, Sir.

(b) to (d) VAT presently being implemented by States is a State subject. Hence, any decision in this regard is to be taken by the States.

Recommendation of Expert Committee for Small investors

2858. SHRIMATI SUKHBUNS KAUR: Will the Minister of FINANCE be pleased to state:

(a) whether Government have accepted the recommendation of the Expert Committee headed by SEBI Chairman G.N. Bajpai to link the rate of interest for small investors to inflation;

(b) if so, the decision taken by Government thereon; and

(c) how small savings during the year 2005-06 are likely to be affected thereby?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Government has not taken any decision on the recommendation of the Expert Committee headed by the then Chairman, SEBI.